

Message Text

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ACTION ARA-10

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E.O. 11652: N/A

TAGS: PFOR VE

SUBJ: ADDRESS OF PRESIDENT PEREZ COMMEMORATING BATTLE OF AYACUCHO

1. AT SOLEMN CEREMONY IN SLAON ELIPTICO OF NATIONAL CONGRESS ATTENDED BY ALL MEMBERS OF THE CONGRESS, THE GOVERNMENT, FOUR EX-PRESIDENTS AND THE DIPLOMATIC CORPS, PRESIDENT CARLOS ANDRES PEREZ MADE HIS LONG AWAITED POLICY SPEECH OSTENSIBLY TO COMMEMORATE THE SESQUICENTENNIAL OF THE BATTLE OF AYACUCHO.

2. EMBASSY WILL REPORT IN DETAIL HIS REFERENCES TO NATIONALIZATION OF IRON MINING CONCESSIONS. FOR ME, WHO WAS AWARE OF NEGOTIATIONS BETWEEN IRON COMPANIES AND GOV, THERE WAS NOTHING NEW IN WHAT THE PRESIDENT SAID ALTHOUGH AS WE HAD ANTICIPATED HE DRESSED IT UP IN NATIONALISTIC GARMENTS. THE PRESIDENT ANNOUNCED THAT IRON CONCESSIONS WOULD BE TERMINATED AS OF JANUARY 1, 1975, AND THAT COMPANIES WOULD BE EXPROPRIATED IF THEY DID NOT FULFILL TERMS OF AN AGREEMENT WORKED OUT WITH HIS PLENIPOTENTIARIES, MINISTER OF INTERNATIONAL ECONOMIC AFFAIRS PEREZ GUERRERO AND THE CHAIRMAN OF THE CORPORACION DE GUAYANA. A SPECIAL COMMISSION WILL BE SET UP TO INSURE COMPLIANCE WITH TERMS OF THE SETTLEMENT. PRESIDENT SAID THAT HIS DECREE

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NATIONALIZING IRON MINES WOULD BE SUBMITTED TO CONGRESS FOR ITS

RATIFICATION.

3. PEREZ THEN WENT ON TO SAY THAT VENEZUELA'S "SECOND BATTLE OF AYACUCHO" WAS UNDERWAY AS EPITOMIZED BY NATIONALIZATION OF THE IRON ORE RESOURCES AND THE FORTHCOMING NATIONALIZATION OF PETROLEUM. HE ADDED THAT ONCE THESE VICTORIES HAD BEEN WON THERE WERE OTHERS YET TO COME AND ALLUDED TO MULTINATIONAL CORPORATIONS, TO HIS LETTER OF SEPTEMBER 19 TO PRESIDENT FORD AND TO HIS LETTER TO THE PRESIDENT OF THE RECENT WORLD FOOD CONFERENCE AT ROME. HE EXPANDED ON THE FAMILIAR THEME OF THE RAW MATERIALS PRODUCING COUNTRIES HAVING A RIGHT TO RECEIVE MORE JUST PAYMENT FOR THEIR RAW MATERIALS AND STRESSED HOW IN THE CASE OF VENEZUELA IT WOULD FABRICATE ITS OWN MINERAL RESOURCES IN NEW INDUSTRIES.

4. ON THE ANTICIPATED QUESTION OF CUBA, PEREZ STATED THAT THERE HAD BEEN NO DIPLOMATIC DEFEAT AT THE QUITO CONFERENCE BUT ON THE CONTRARY A "VICTORY." HE STATED THAT THE TWELVE GOVERNMENTS WHICH HAD VOTED FOR LIFTING THE SANCTIONS AGAINST CUBA AND FOR LIBERTY OF ACTION SO FAR AS DIPLOMATIC RELATIONS WERE CONCERNED SHOULD HAVE THE RIGHT TO CARRY OUT NEW POLICIES. HOWEVER, ALTHOUGH EVERYONE EXPECTED HIM TO GO ON AND ANNOUNCE VENEZUELA'S RECOGNITION OF CUBA, PEREZ HESITATED AND MARCHED HIS TROOPS BACK DOWN THE HILL. TO PUZZLED DIPLOMATS HE LEFT THE IMPRESSION THAT HE STILL FELT THAT VENEZUELA SHOULD RETAIN ITS LIBERTY OF ACTION BUT THAT HE IS NOT YET READY TO TAKE THE FINAL STEP.
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